

COPY

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8 Counsel for Plaintiff

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11 RICK CHENG, INDIVIDUALLY AND ON
 12 BEHALF OF ALL OTHERS SIMILARLY
 13 SITUATED,

14 Plaintiff,

15 vs.

16 A-POWER ENERGY GENERATION
 17 SYSTEMS, LTD., JINXIANG LU,
 18 MICHAEL ZHANG, ROBERT B. LECKIE,
 19 DILIP LIMAYE, REMO RICHLI,
 20 ZHENYU FAN, JIANMIN WU, KIN
 21 KWONG MAK, EDWARD MENG
 22 Defendants.

CASE No.:

CV 11-05509 6W (copy)

COMPLAINT

CLASS ACTION

**JURY TRIAL
 DEMANDED**

23 Plaintiff Rick Cheng ("Plaintiff"), individually and on behalf of all other
 24 persons similarly situated, by his undersigned attorneys, for his complaint against
 25 Defendants, alleges the following based upon personal knowledge as to himself and
 26 his own acts, and information and belief as to all other matters, based upon, *inter*
 27 *alia*, the investigation conducted by and through his attorneys, which included,
 28 among other things, a review of the defendants' public documents, conference calls

1 and announcements made by defendants, United States Securities and Exchange
2 Commission (“SEC”) filings, wire and press releases published by and regarding A-
3 Power Energy Generation Systems, Ltd. (“A-Power” or the “Company”), securities
4 analysts’ reports and advisories about the Company, and information readily
5 obtainable on the Internet. Plaintiff believes that substantial evidentiary support
6 will exist for the allegations set forth herein after a reasonable opportunity for
7 discovery.

8 **NATURE OF THE ACTION**

10
11
12 1. This is a federal securities class action on behalf of a class consisting
13 of all persons other than Defendants who purchased the common stock of A-Power
14 between March 31, 2008 and June 27, 2011, inclusive, (the “Class Period”) seeking
15 to recover damages caused by Defendants’ violations of federal securities laws.

16
17 2. During the Class Period, Defendants issued materially false and
18 misleading statements and omitted to state material facts that rendered their
19 affirmative statements misleading as they related to the Company’s financial
20 performance, business prospects, and true financial condition.

21 **JURISDICTION AND VENUE**

22
23
24 3. The claims asserted herein arise under and pursuant to Sections 10(b)
25 and 20(a) of the Securities Exchange Act, and Rule 10b-5 promulgated thereunder
26 (17 C.F.R. §240.10b-5).

1 4. This Court has jurisdiction over the subject matter of this action
2 pursuant to Section 27 of the Exchange Act (15 U.S.C. §78aa) and 28 U.S.C. §
3 1331.
4

5 5. Venue is proper in this Judicial District pursuant to §27 of the
6 Exchange Act, 15 U.S.C. § 78aa and 28 U.S.C. § 1391(b).
7

8 6. In connection with the acts, conduct, and other wrongs alleged in this
9 Complaint, Defendants, directly or indirectly, used the means and instrumentalities
10 of interstate commerce, including but not limited to, the United States mails,
11 interstate telephone communications and the facilities of the national securities
12 exchange.
13
14

15 **PARTIES**

16
17 7. Plaintiff, Rick Cheng as set forth in the accompanying certification,
18 incorporated by reference herein, purchased A-Power securities at artificially
19 inflated prices during the Class Period and has been damaged thereby.
20

21 8. Defendant A-Power is a British Virgin Islands Corporation whose
22 principal place of business is located at NO.44 Jingxing Road, Tiexi District,
23 Shenyang, Liaoning Province, China, 110021.
24

25 9. A-Power, through its subsidiaries, purports to be the largest provider
26 of distributed power generation systems in China, focusing on the design,
27 construction, and installation of distributed generation (DG) systems in China.
28

1 10. At all relevant times, the Company's stock was actively traded on the
2 NASDAQ under ticker "APWR."

3
4 11. Defendant Jinxiang Lu ("He") has been the Company's CEO and
5 Chairman of the Board since January 2008.

6 12. Defendant Edward Meng ("Meng") was the Company's CFO from
7

8 13. Defendant Kin Kwong Mak ("Mak") was the Company's CFO since
9 2008.

10 14. Defendant John S. Lin ("Lin") was the Company's interim CFO on
11 March 5, 2009

12
13 15. Defendant Michael Zhang ("Zhang") has been the Company's Vice
14 President since January 2010 and one of the Company's directors since June 2010.

15
16 16. Defendant Robert B. Leckie ("Leckie") was a Director of the
17 Company from March 2008 to June 2011.

18 17. Defendant Dilip Limaye ("Limaye") has been a Director of the
19 Company since January 2008.

20
21 18. Defendant Remo Richli ("Richli") has been a Director of the company
22 since January 2008.

23
24 19. Defendant Zhenyu Fan ("Fan") has been a Director of the company
25 since January 2008.

26 20. Defendant Jiamin Wu ("Wu") was a Director of the Company since
27 January 2008.
28

1 21. Defendants Edward Meng (“Meng”) was A-Powers CFO from the
2 beginning of the class period until he was replaced by Mr. Lin.

3
4 22. During the Class Period, each of the Individual Defendants, as senior
5 executive officers, agents, and/or directors of A-Power and its subsidiaries and
6 affiliates, was privy to non-public information concerning the Company’s business,
7 finances, products, markets, and present and future business prospects, via access to
8 internal corporate documents, conversations and connections with other corporate
9 officers and employees, attendance at management and Board of Directors meetings
10 and committees thereof, and via reports and other information provided to them in
11 connection therewith. Because of their possession of such information, the
12 Individual Defendants knew or recklessly disregarded the fact that adverse facts
13 specified herein had not been disclosed to, and were being concealed from, the
14 investing public.

15
16 23. The Individual Defendants participated in the drafting, preparation,
17 and/or approval of the various public, shareholder, and investor reports and other
18 communications complained of herein and were aware of, or recklessly
19 disregarded, the misstatements contained therein and omissions therefrom, and
20 were aware of their materially false and misleading nature. Because of their Board
21 membership and/or executive and managerial positions with A-Power, each of the
22 Individual Defendants had access to the adverse undisclosed information about A-
23 Power’s financial condition and performance as particularized herein and knew (or
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25
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recklessly disregarded) that these adverse facts rendered the positive representations made by or about A-Power and its business issued or adopted by the Company materially false and misleading.

ALLEGATIONS OF FALSE STATEMENTS

24. The Class Period begins on March 31, 2008 when the Company issued a press release announcing fiscal year ended December 31, 2007 results. The Company stated that for fiscal 2007, it earned revenue of \$152.5 million and net income of \$15.2 million.

25. On July 11, 2008, the Company filed its annual report for the fiscal year ended December 31, 2007 with the SEC on Form 20-F ("2007 20-F.") The 20-F was signed by defendants Lu and Meng, and, pursuant to Sarbanes-Oxley Act of 2002 ("SOX"), was separately certified by defendants Lu and Meng attesting to the accuracy of the form.

26. The Company reported revenue of \$152.5 million and net income of \$15.2 million.

27. On September 2, 2008, the Company filed its quarterly report for the quarterly period ended June 30, 2008 with the SEC on the Form 6-K ("Q1 2008 6-K.") The 6-K was signed by defendant Meng, and pursuant to the SOX, was separately certified by defendant Meng attesting to the accuracy of the form.

1 28. The Q1 2008 6-K reported revenue of \$98.1 million and net income of
2 \$9.1 million for the first six months for fiscal 2008.

3
4 29. On April 9, 2009, the Company issued a press release for its fourth
5 quarter 2008 and full year 2008 financial results. The Company reported fourth
6 quarter revenue and net income of \$81.4 million and \$10.0 million and full year
7 revenue and net income of \$264 million and \$28.5 million respectively.

8
9 30. On June 30, 2009, the Company filed its annual report for the fiscal
10 year ended December 31, 2008 with the SEC on Form 20-F ("2008 20-F.") The 20-
11 F was signed by defendants Lu and Lin, and, pursuant to Sarbanes-Oxley Act of
12 2002 ("SOX"), was separately certified by defendants Lu and Meng attesting to the
13 accuracy of the form.
14

15
16 31. The 2008 20-F reported 2008 revenue and net income of \$264.8
17 million and \$28.5 million respectively.

18
19 32. On August 27, 2009, the Company issued a press release announcing
20 financial results for 2Q 2009. The press reported second quarter 2009 financial
21 results. The Company reported revenue of \$57.5 million and net income of \$63
22 million.
23

24 33. On March 31, 2010, the Company filed its annual report for the fiscal
25 year ended December 31, 2009 with the SEC on Form 20-F ("2009 20-F.") The 20-
26 F was signed by defendants Lu and Mak, and, pursuant to Sarbanes-Oxley Act of
27
28

1 2002 (“SOX”), was separately certified by defendants Lu and Mak attesting to the
2 accuracy of the form.

3
4 34. The 2009 20-F reported revenue and net loss for fiscal 2009 of \$311.2
5 million and \$16.5 million respectively.

6
7 35. On April 2, 2010, the Company issued a press release announcing the
8 financial results for fourth quarter 2009 and full year 2009. The Company reported
9 Q4 revenue and net income of \$125.9 million and a net loss of \$23.9 million and
10 full year 2009 revenue and net income of \$311.3 million and loss of \$16.7 million.

11
12 36. On August 26, 2010, the Company issued a press release announcing
13 financial results for the second quarter 2010.

14
15 37. The Company reported second quarter revenue of \$74.8 million and
16 net income of \$7.7 million.

17
18 38. On December 1, 2010, the Company issued a press release announcing
19 financial results for the third quarter 2010. The press release reported third quarter
20 2010 revenue of \$57.3 million and net loss of \$1.0 million.

21
22 39. All of the revenue and net income reported in the annual and quarterly
23 reports set forth above during the class period was materially false and misleading.

24
25 40. The falsity of the reported revenue and income is demonstrated by the
26 fact that the Company reported materially lower revenue and net income in its
27 filings with the Chinese State Administration of Industry and Commerce (“SAIC”).
28

1 41. As a result of the false statements, A-Power's stock price has dropped
2 by 50% and Nasdaq has halted all trading in its stock.
3

4 **PLAINTIFF'S CLASS ACTION ALLEGATIONS**

5 42. Plaintiff brings this action as a class action pursuant to Federal Rules
6 of Civil Procedure 23(a) and (b)(3) on behalf of a Class, consisting of all persons
7 who purchased the common stock of A-Power during the Class Period and who
8 were damaged thereby. Excluded from the Class are Defendants, the officers and
9 directors of the Company at all relevant times, members of their immediate families
10 and their legal representatives, heirs, successors or assigns and any entity in which
11 defendants have or had a controlling interest.
12

13 43. The members of the Class are so numerous that joinder of all members
14 is impracticable. Throughout the Class Period, A-Power's securities were actively
15 traded on the NASDAQ. While the exact number of Class members is unknown to
16 Plaintiff at this time and can only be ascertained through appropriate discovery,
17 Plaintiff believes that there are at least hundreds of members in the proposed Class.
18 Members of the Class may be identified from records maintained by A-Power or its
19 transfer agent and may be notified of the pendency of this action by mail, using a
20 form of notice customarily used in securities class actions.
21

22 44. Plaintiff's claims are typical of the claims of the members of the Class,
23 as all members of the Class are similarly affected by Defendants' wrongful conduct
24 in violation of federal law that is complained of herein.
25
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1 45. Plaintiff will fairly and adequately protect the interests of the members
2 of the Class and has retained counsel competent and experienced in class and
3 securities litigation.
4

5 46. Common questions of law and fact exist as to all members of the Class
6 and predominate over any questions solely affecting individual members of the
7 Class. Among the questions of law and fact common to the Class are:
8

9 (a) whether the federal securities laws were violated by Defendants'
10 acts as alleged herein;
11

12 (b) whether statements made by Defendants to the investing public
13 during the Class Period misrepresented material facts about the business, operations
14 and management of A-Power; and
15

16 (c) to what extent the members of the Class have sustained damages
17 and the proper measure of damages.
18

19 47. A class action is superior to all other available methods for the fair and
20 efficient adjudication of this controversy since joinder of all members is
21 impracticable. Furthermore, as the damages suffered by individual Class members
22 may be relatively small, the expense and burden of individual litigation make it
23 impossible for members of the Class to redress individually the wrongs done to
24 them. There will be no difficulty in the management of this action as a class action.
25

26
27 **Applicability of Presumption of Reliance:**

28 **Fraud-on-the-Market Doctrine**

1 48. At all relevant times, the market for A-Power's common stock was an
2 efficient market for the following reasons, among others:

3
4 (a) A-Power's stock met the requirements for listing, and is listed and
5 actively traded on the NASDAQ, a highly efficient and automated market;

6
7 (b) During the class period, on average, over several hundreds of thousands of
8 shares of A-Power stock were traded on a weekly basis, demonstrating a very active and
9 broad market for A-Power stock and permitting a *very strong* presumption of an efficient
10 market;

11
12 (c) As a regulated issuer, A-Power filed periodic public reports with the
13 SEC and was eligible and did file short form registration statements with the SEC
14 on Form S-3 during the Class Period;

15
16 (d) A-Power regularly communicated with public investors via established
17 market communication mechanisms, including through regular disseminations of
18 press releases on the national circuits of major newswire services and through
19 other wide-ranging public disclosures, such as communications with the financial
20 press and other similar reporting services;

21
22 (e) A-Power was followed by several securities analysts employed by
23 major brokerage firms who wrote reports that were distributed to the sales force
24 and certain customers of their respective brokerage firms during the Class
25 Period. Each of these reports was publicly available and entered the public
26 marketplace;
27
28

1 (f) Numerous NASD member firms were active market-makers in A-
2 Power stock at all times during the Class Period; and

3
4 (g) Unexpected material news about A-Power was rapidly reflected and
5 incorporated into the Company's stock price during the Class Period.

6
7 49. As a result of the foregoing, the market for A-Power's common stock
8 promptly digested current information regarding A-Power from all publicly
9 available sources and reflected such information in A-Power's stock price. Under
10 these circumstances, all purchasers of A-Power's common stock during the Class
11 Period suffered similar injury through their purchase of A-Power's common stock
12 at artificially inflated prices, and a presumption of reliance applies.
13

14
15 **FIRST CLAIM**

16 **Violation of Section 10(b) Of**

17 **The Exchange Act Against and Rule 10b-5**

18 **Promulgated Thereunder Against All Defendants**
19

20 50. Plaintiff repeats and realleges each and every allegation contained
21 above as if fully set forth herein.

22
23 51. This claim is brought against A-Power and all of the Individual
24 Defendants.

25 52. During the Class Period, Defendants carried out a plan, scheme and
26 course of conduct which was intended to and, throughout the Class Period, did: (1)
27 deceive the investing public, including plaintiff and other Class members, as
28

1 alleged herein; and (2) cause plaintiff and other members of the Class to purchase
2 A-Power's common stock at artificially inflated prices. In furtherance of this
3 unlawful scheme, plan and course of conduct, Defendants, and each of them, took
4 the actions set forth herein.
5

6 53. Defendants (a) employed devices, schemes, and artifices to defraud;
7 (b) made untrue statements of material fact and/or omitted to state material facts
8 necessary to make the statements not misleading; and (c) engaged in acts, practices,
9 and a course of business that operated as a fraud and deceit upon the purchasers of
10 the Company's common stock in an effort to maintain artificially high market
11 prices for A-Power's common stock in violation of Section 10(b) of the Exchange
12 Act and Rule 10b-5 thereunder. All Defendants are sued either as primary
13 participants in the wrongful and illegal conduct charged herein or as controlling
14 persons as alleged below.
15

16 54. Defendants, individually and in concert, directly and indirectly, by the
17 use, means or instrumentalities of interstate commerce and/or of the mails, engaged
18 and participated in a continuous course of conduct to conceal adverse material
19 information about the business, operations and future prospects of A-Power as
20 specified herein.
21

22 55. These Defendants employed devices, schemes and artifices to defraud,
23 while in possession of material adverse non-public information and engaged in acts,
24 practices, and a course of conduct as alleged herein in an effort to assure investors
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1 of A-Power's value and performance and continued substantial growth, which
2 included the making of, or participation in the making of, untrue statements of
3 material facts and omitting to state material facts necessary in order to make the
4 statements made about A-Power and its business operations and future prospects in
5 the light of the circumstances under which they were made, not misleading, as set
6 forth more particularly herein, and engaged in transactions, practices and a course
7 of business that operated as a fraud and deceit upon the purchasers of A-Power's
8 common stock during the Class Period.

11 56. Each of the Individual Defendants' primary liability, and controlling
12 person liability, arises from the following facts: (1) the Individual Defendants were
13 high-level executives, directors, and/or agents at the Company during the Class
14 Period and members of the Company's management team or had control thereof;
15 (2) each of these defendants, by virtue of his or her responsibilities and activities as
16 a senior officer and/or director of the Company, was privy to and participated in the
17 creation, development and reporting of the Company's financial condition; (3) each
18 of these defendants enjoyed significant personal contact and familiarity with the
19 other defendants and was advised of and had access to other members of the
20 Company's management team, internal reports and other data and information
21 about the Company's finances, operations, and sales at all relevant times; and
22 (4) each of these defendants was aware of the Company's dissemination of
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1 information to the investing public which they knew or recklessly disregarded was
2 materially false and misleading.

3
4 57. Defendants had actual knowledge of the misrepresentations and
5 omissions of material facts set forth herein, or acted with reckless disregard for the
6 truth in that they failed to ascertain and to disclose such facts, even though such
7 facts were available to them. Such Defendants' material misrepresentations and/or
8 omissions were done knowingly or recklessly and for the purpose and effect of
9 concealing A-Power's operating condition and future business prospects from the
10 investing public and supporting the artificially inflated price of its common stock.
11 As demonstrated by Defendants' overstatements and misstatements of the
12 Company's financial condition throughout the Class Period, Defendants, if they did
13 not have actual knowledge of the misrepresentations and omissions alleged, were
14 reckless in failing to obtain such knowledge by deliberately refraining from taking
15 those steps necessary to discover whether those statements were false or
16 misleading.

17
18 58. As a result of the dissemination of the materially false and misleading
19 information and failure to disclose material facts, as set forth above, the market
20 price of A-Power's common stock was artificially inflated during the Class Period.
21 In ignorance of the fact that market prices of A-Power's publicly-traded common
22 stock were artificially inflated, and relying directly or indirectly on the false and
23 misleading statements made by Defendants, or upon the integrity of the market in
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1 which the common stock trades, and/or on the absence of material adverse
2 information that was known to or recklessly disregarded by Defendants but not
3 disclosed in public statements by Defendants during the Class Period, Plaintiff and
4 the other members of the Class acquired A-Power common stock during the Class
5 Period at artificially high prices and were or will be damaged thereby.
6

7
8 59. At the time of said misrepresentations and omissions, Plaintiff and
9 other members of the Class were ignorant of their falsity, and believed them to be
10 true. Had Plaintiff and the other members of the Class and the marketplace known
11 the truth regarding A-Power's financial results, which were not disclosed by
12 defendants, Plaintiff and other members of the Class would not have purchased or
13 otherwise acquired their A-Power common stock, or, if they had acquired such
14 common stock during the Class Period, they would not have done so at the
15 artificially inflated prices that they paid.
16

17
18 60. By virtue of the foregoing, Defendants have violated Section 10(b) of
19 the Exchange Act, and Rule 10b-5 promulgated thereunder.
20

21 61. As a direct and proximate result of Defendants' wrongful conduct,
22 Plaintiff and the other members of the Class suffered damages in connection with
23 their respective purchases and sales of the Company's common stock during the
24 Class Period.
25
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28

1 issued and had the ability to prevent the issuance of the statements or to cause the
2 statements to be corrected.

3
4 65. In particular, each Defendant had direct and supervisory involvement
5 in the day-to-day operations of the Company and, therefore, is presumed to have
6 had the power to control or influence the particular transactions giving rise to the
7 securities violations as alleged herein, and exercised the same.

8
9 66. As set forth above, A-Power and the Individual Defendants each
10 violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this
11 Complaint.

12
13 67. By virtue of their positions as controlling persons, the Individual
14 Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct
15 and proximate result of Defendants' wrongful conduct, Plaintiff and other members
16 of the Class suffered damages in connection with their purchases of the Company's
17 common stock during the Class Period.

18
19
20 68. This action was filed within two years of discovery of the fraud and
21 within five years of each Plaintiff's purchases of securities giving rise to the cause
22 of action.

23
24 **PRAYER FOR RELIEF**

25 **WHEREFORE**, Plaintiff prays for relief and judgment, as follows:

26 (a) Determining that this action is a proper class action, designating
27 Plaintiff as class representative under Rule 23 of the Federal Rules of Civil
28

1 Procedure and Plaintiff's counsel as Class Counsel;

2 (b) Awarding compensatory damages in favor of Plaintiff and the
3 other Class members against all defendants, jointly and severally, for all damages
4 sustained as a result of defendants' wrongdoing, in an amount to be proven at trial,
5 including interest thereon;
6

7
8 (c) Awarding Plaintiff and the Class their reasonable costs and
9 expenses incurred in this action, including counsel fees and expert fees; and

10 (d) Awarding such other and further relief as the Court may deem
11 just and proper.
12

13 **JURY TRIAL DEMANDED**

14 Plaintiff hereby demands a trial by jury.
15

16 Dated: July1, 2011

Respectfully submitted,

17
18 **THE ROSEN LAW FIRM, P.A.**

19
20
21 

22
23 Laurence M. Rosen, Esq. (SBN 219683)
24 THE ROSEN LAW FIRM, P.A.
25 333 South Grand Avenue, 25th Floor
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Email: lrosen@rosenlegal.com

Counsel for Plaintiff

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge George H. Wu and the assigned discovery Magistrate Judge is Carla Woehrle.

The case number on all documents filed with the Court should read as follows:

CV11- 5509 GW (CWx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

Name & Address:

Laurence M. Rosen, Esq. (SBN 219683)
THE ROSEN LAW FIRM, P.A.
333 South Grand Avenue, 25th Floor
Los Angeles, CA 90071

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

RICK CHENG, INDIVIDUALLY AND ON BEHALF
OF ALL OTHERS SIMILARLY SITUATED,

PLAINTIFF(S)

v.

A-POWER ENERGY GENERATION SYSTEMS,
LTD. et al
(SEE ATTACHED)

DEFENDANT(S).

CASE NUMBER

CV11-05509

GW(CWX)

SUMMONS

TO: DEFENDANT(S): _____

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ _____ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Laurence M. Rosen, whose address is 333 South Grand Avenue, 25th Floor, Los Angeles, CA 90071. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

JUL - 1 2011

Dated: _____

Clerk, U.S. District Court

By: _____

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

ATTACHMENT

PLAINTIFFS

RICK CHENG, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS
SIMILARLY SITUATED,

DEFENDANTS

A-POWER ENERGY GENERATION SYSTEMS, LTD., JINXIANG LU,
MICHAEL ZHANG, ROBERT B. LECKIE, DILIP LIMAYE, REMO RICHLI,
ZHENYU FAN, JIANMIN WU, KIN KWONG MAK, EDWARD MENG

Name & Address:

Laurence M. Rosen, Esq. (SBN 219683)
THE ROSEN LAW FIRM, P.A.
333 South Grand Avenue, 25th Floor
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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

RICK CHENG, INDIVIDUALLY AND ON BEHALF
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(SEE ATTACHED)

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CV11-05509 bmr(cwx)

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JUL - 1 2011

Dated: _____

Clerk, U.S. District Court

JULIE PRADO

By: _____

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

ATTACHMENT

PLAINTIFFS

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ZHENYU FAN, JIANMIN WU, KIN KWONG MAK, EDWARD MENG

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEETI (a) PLAINTIFFS (Check box if you are representing yourself ☐)RICK CHENG, INDIVIDUALLY AND ON BEHALF OF ALL OTHERS
SIMILARLY SITUATED

DEFENDANTS

A-POWER ENERGY GENERATION SYSTEMS, LTD., JINXIANG LU,
MICHAEL ZHANG, ROBERT B. LECKIE, DILIP LIMAYE, REMO RICHLI,
ZHENYU FAN, JIANMIN WU, KIN KWONG MAK, EDWARD MENG

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

Laurence M. Rosen, Esq. (SBN 219683), THE ROSEN LAW FIRM, P.A., 333
South Grand Avenue, 25th Floor, Los Angeles, CA 90071, Tel: (213) 785-2610,
Fax: (213) 226-4684, Email: lrosen@rosenlegal.com

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.)

- ☐ 1 U.S. Government Plaintiff ☒ 3 Federal Question (U.S. Government Not a Party)
- ☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only
(Place an X in one box for plaintiff and one for defendant.)

- | | PTF | DEF | | PTF | DEF |
|---|----------------------------|----------------------------|---|----------------------------|----------------------------|
| Citizen of This State | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | Incorporated or Principal Place of Business in this State | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| Citizen of Another State | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | Incorporated and Principal Place of Business in Another State | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| Citizen or Subject of a Foreign Country | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | Foreign Nation | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |

IV. ORIGIN (Place an X in one box only.)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)CLASS ACTION under F.R.C.P. 23: ☒ Yes ☐ No☐ MONEY DEMANDED IN COMPLAINT: \$

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

Class Action for Violations of the Federal Securities Laws, 15 U.S.C. §78j(b) and 78t(a), 15 U.S.C. §§77k and 77o

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	TORTS	TORTS	PRISONER	LABOR
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 710 Fair Labor Standards Act
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	<input type="checkbox"/> 530 Habeas Corpus	<input type="checkbox"/> 720 Labor/Mgmt. Relations
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act
<input type="checkbox"/> 450 Commerce/ICC Rates/etc.	<input type="checkbox"/> 140 Negotiable Instrument	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 740 Railway Labor Act
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 340 Marine	BANKRUPTCY	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 790 Other Labor Litigation
<input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 791 Empl. Ret. Inc. Security Act
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans)	<input type="checkbox"/> 350 Motor Vehicle	<input type="checkbox"/> 423 Withdrawal 28 USC 157	FORFEITURE / PENALTY	PROPERTY RIGHTS
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits	<input type="checkbox"/> 355 Motor Vehicle Product Liability	CIVIL RIGHTS	<input type="checkbox"/> 610 Agriculture	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 810 Selective Service	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 441 Voting	<input type="checkbox"/> 620 Other Food & Drug	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 362 Personal Injury-Med Malpractice	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 840 Trademark
<input checked="" type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 365 Personal Injury-Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 630 Liquor Laws	SOCIAL SECURITY
<input type="checkbox"/> 891 Agricultural Act	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 444 Welfare	<input type="checkbox"/> 640 R.R. & Truck	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 892 Economic Stabilization Act	REAL PROPERTY	IMMIGRATION	<input type="checkbox"/> 445 American with Disabilities - Employment	<input type="checkbox"/> 650 Airline Regs	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 893 Environmental Matters	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 462 Naturalization Application	<input type="checkbox"/> 446 American with Disabilities - Other	<input type="checkbox"/> 660 Occupational Safety /Health	<input type="checkbox"/> 863 DIWC/DIWW (405(g))
<input type="checkbox"/> 894 Energy Allocation Act	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 463 Habeas Corpus-Alien Detainee	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 690 Other	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 895 Freedom of Info. Act	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 465 Other Immigration Actions			<input type="checkbox"/> 865 RSI (405(g))
<input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice	<input type="checkbox"/> 240 Torts to Land				FEDERAL TAX SUITS
<input type="checkbox"/> 950 Constitutionality of State Statutes	<input type="checkbox"/> 245 Tort Product Liability				<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
	<input type="checkbox"/> 290 All Other Real Property				<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609

CV11-05509

FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes
If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes
If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

- (Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or
☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or
☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

- (a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named plaintiff resides.
☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	Illinois, Cook County

- (b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH named defendant resides.
☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
	People's Republic of China

- (c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which EACH claim arose.
Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____ Date 7/1/11

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))